HOUSEWARES SHOW

CLOSET

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Itex 133 Tubular Plastic Hanger alm	46,544	0.17	8,252.48
2	Itex 133 Tubular Plastic Hanger brwn	44,640	0.17	7,588.80
3	Sterlite 11006 Shoe Box alm, Lid	4,156	1.79	7,439.24
4	Itex 133 Tubular Plastic Hanger wht	42,052	0.17	7,148.84
5	T-159-2 Bev Wood Trouser Hanger Set 2	5,147	1.34	6,896.98
6	Itex 133 Tubular Plastic Hanger rust	38,168	0.17	6,487.88
7	Itex 133 Tubular Plastic Hanger blue	37,152	0.17	6,315.84
8	S-159-2 Bev Wood Skirt Hanger Set 2	4,574	1.34	6,129.16
9	Tamor 5600/5A pk 5 Child Tubulars Asstd	4,876	1.25	6,095.00
10	5-4Bev Bev Wood Dress Hanger Set 4	4,122	1.34	5,523.48
11	Corr/Pak W3505 Underbed Chest Wood	3,335	1.61	5,369.35
12	1541-3C Bev Plastic Suit Hanger cl Set 3	2,797	1.88	5,258.36
13	C-30-2 Bev Wood Suit Hanger Set 2	3,166	1.61	5,097.26
14	W2110 Corr/Pak Storage Chest Wood	3,143	1.61	5,097.26
15	HWH-06 Bev Wire Drip/Dry Hanger St 6	5,616	0.71	3,987.36

CORNING

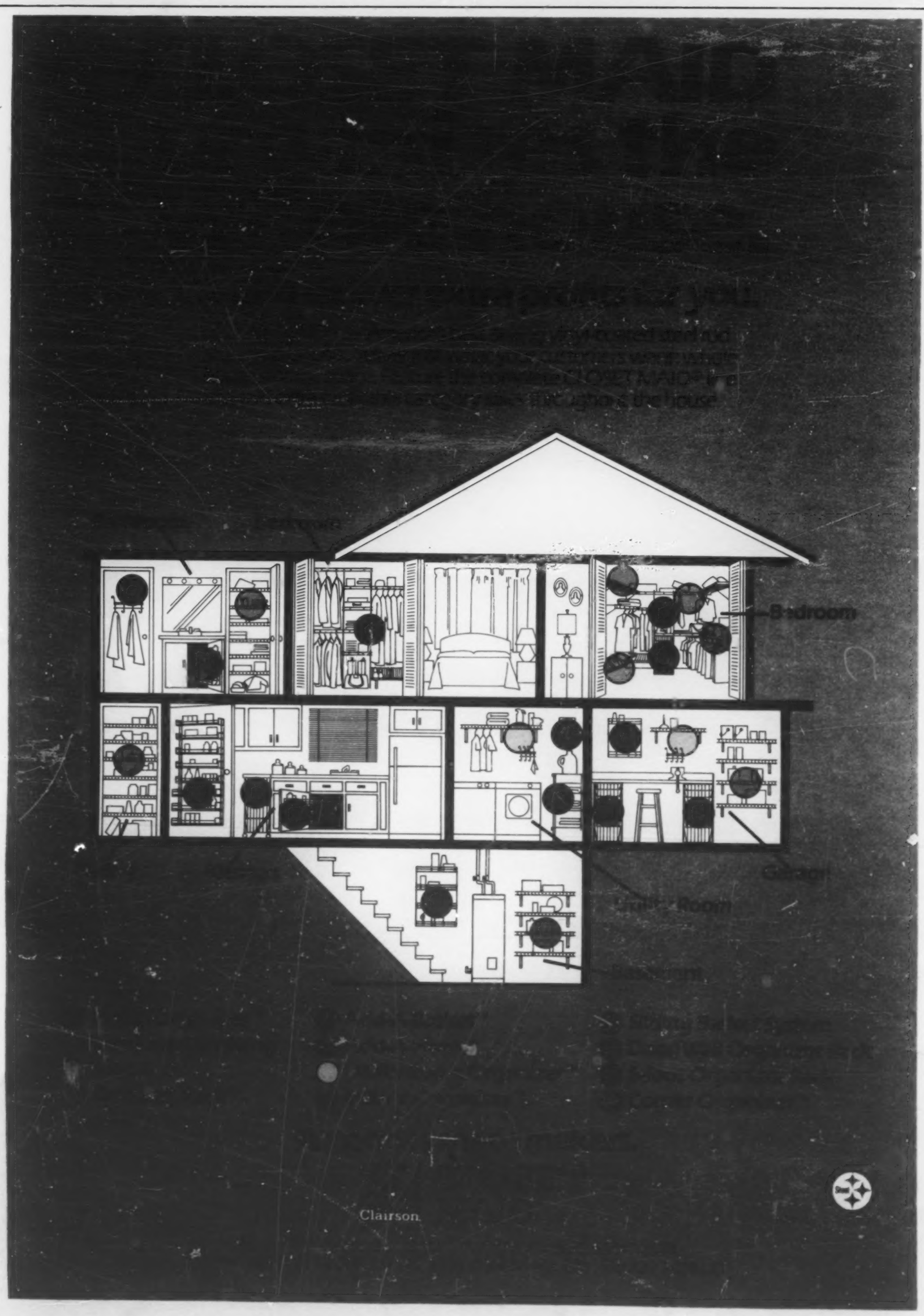
$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Visions V-300 6-pc Set 1-1.5-2.5 qt	170	53.99	9,178.30
2	Visions V370 7-pc Rangetop Set	102	71.99	7,342.98
3	Visions V-6 8" Skillet	698	10.34	7,217.32
4	Visions V-9 9" Skillet	423	13.94	5,896.62
5	Cnter Savr C-20-61 16"x20" Mahrm	255	22.94	5,849.70
6	Visions V-20 1.5-qt Dbl Boiler w/Cover	191	28.79	5,498.89
7	F-2 2½-qt Ovl Casa/Lid white	237	22.49	5,330.13
8	Visions V-1.5-qt Cvd Saucepan	265	17.99	4,767.35
9	F-330 Set F-1, F-3, F-5 White	97	47.69	4,625.93
10	Roaster F-21 F/W 4½ qt	159	28.79	4,577.61
11	Visions V-1 1-qt Cvd Saucepan	285	15.74	4,485.90
12	French White F-14 4-qt Cov Oval Cass	141	30.14	4,249.74
13	Visions 2.5-qt Covered saucepan	185	22.94	4,243.90
14	F-1 2½-qt Rd Cass/Lid	188	22.49	4,228.12
15	Starter Set A-300-8 Spice	92	44.09	4,056.28

COOKWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	G/H 0707 "granite" Canner w/Rack 21 qt	1,992	19.34	38,525.28
2	W/E 28030 Pref Slv 10" Chef Fry Pan	1,707	13.49	23,013.94
3	W/E 28032 Pref Slv 12" Chef Fry Pan	899	16.19	14,554.81
4	Foley 780-79 Silverstone 10" Saute Fry Pan	1,764	8.09	14,270.76
5	Ekco 64110 B/S Lrg Cookie Sheet 17x11	2,939	4.40	12,931.60
6	T-Fal 37051 7" Fry Pan Rouge	2,107	5.84	12,304.88
7	Ekco 64330 B/S Oblong Until Pan 13x9	3,082	3.95	12,173.90
8	W/E 28028 Pref Slv 8" Chef Fry Pan	1,038	11.69	12,134.22
9	Foley 2209-20 Percolator 9 cup	1,512	7.11	10,750.32
10	Ekco 64200 B/S 12 Cup Muffin Pan	2,184	4.76	10,395.84
11	Foley 778-79 Silverstone 8" Saute Pan Blk	1,651	6.29	10,384.79
12	T-Fal 7126 Royale 10" Fry Pan Blk	712	14.39	10,245.68
13	Lodge 7SK2 C/Iron Skillet 10"	1,344	7.19	9,663.36
14	Nordic 51190 12C Formed Bundt Aset	1,032	8.99	9,277.68
15	Ekco 64100 B/S Med Cookie Sht 15x10	2,338	3.95	9,235.10

DINNERWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Crnstn T-20-82 20-pc Set China Blossom	92	71.99	6,623.08
2	Livngwr 16-24-N 16-pc Set burgundy	188	34.19	6,427.72
3	Livngwr 16-23-N 16-pc Set Mrng Blo	164	34.19	5,607.16
4	Natrl Imgs 5016-66 16-pc Set Sandscape	124	44.09	5,467.16
5	Livngwr 16-N 16-pc Set white	144	34.19	4,923.36
6	Natrl Imgs 5016-73 16-pc Set Calco Rse	106	44.09	4,673.54
7	Livngwr 418 18-oz Bwl (4) white	318	13.94	4,432.92
8	Dmnsn-4 3216-32 16-pc Set cinnamon	90	44.99	4,049.10
9	Crnrstn T-20-92 20-pc Set Spring Pond	56	71.99	4,031.44
10	Natrl Imgs 5016-74 16-pc Set windflower	90	44.09	3,968.10
11	Dmnsn-4 3216-34 16-pc Set-slate	66	44.99	2,969.34
12	Natrl Imgs 5016-75 16-pc Set Blue flrl	54	44.09	2,380.86
13	Lvwr2 20-25 20-pc Set Solitary	50	44.99	2,249.50
14	Lvwr2 20-25 20-pc Set Royal Garden	28	71.99	2,015.72
15	Exprsn 2020-22 20-pc Set Wet Desert Blossom	28	62.99	1,763.72



8%-9% Biz Gains Seen On Coast

By JERRY FALK
Executive Vice President
Bacar Inc.

The West Coast markets are no more optimistic than discounters elsewhere about housewares sales gains this year. Upturns have been steady, but for the full year we're eying only 8%-9% total gains.

PMA PRODUCT MOVEMENT AUDIT

That's not bad, considering where the market came from early in the year, when discounters were swelled with inventories following the disappointing Christmas season.

That seems to be in the backroads of buyers' memories now. They're not overly cautious about buying into the holiday season. In fact, ads are set up for throughout the fall, and no one seems to be holding back. Advance booking against fall advertising is stronger than last year. On top of that, we expect to see more flyers this year, and they'll include more housewares items.

Such activity presages a good holiday season in terms of sales. Profits will be there, too, for discounters, because their ads reflect the additional trade specials being offered by major housewares vendors. Extra flyers won't cause discounter margins to suffer; they're able to buy more cheaply.

Even more so than last year, when vendors began to regularly discount their most popular lines, manufacturers are buying the business this season.

The intensification of trade discounts is led by Rubbermaid and Corning, and is evident throughout cookware, 18- and 24-piece glassware sets and servingware pieces such as punch sets and candy dishes.

Vacuumware, which caught fire earlier this year, has shown no signs of cooling and will be a key promotional item this season. Thermal carafes from Corning and ThermosWare, and steel bottles from Aladdin, have been in demand ever since manufacturers brought their designs out of the Middle Ages. The Coffee Butler and Thermique carafes are meeting a home tabletop need, and are being used in business offices too because they're clean looking, not frilly.

Our other leading growth categories are bath and closet accessories and gadgets.

- The reason is that we're experiencing in our markets a great deal of home remodeling activity. People are managing in smaller living quarters by buying the likes of underbed storage chests, sweater boxes and containers. Corr-Pak has added visual interest to the category, with its tulip and grid designs on storage chests, although this is generally not a fashion area.

On the other hand, the kitchens has become more of a fashion arena than ever before. Consumers are taking pride in coordinating electric appliances

(Continued on page 74)

HOUSEWARES SHOW

GADGETS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	PA4-100 Mlt Cone Filtr No. 4 (6 cup) 100 ct	8,700	3.41	29,667.00
2	107, Saw Can Open "Jr" Sml Hand Asst	7,968	2.78	22,151.04
3	8153-2, Sunbeam Timer Short Ring alm	2,385	8.99	21,441.15
4	102-AC, R/K Refl Bowl 8" Plug-In Element	6,792	3.05	20,715.60
5	8153-1 Sunbeam Timer Short Ring white	2,128	8.99	19,130.72
6	101-AC R/K Refl Bowl 6" Plug-In Element	7,344	2.60	19,094.40
7	PA6-100 Mlt Cone Filter No. 6 (10 cup) 100 ct	5,256	3.59	18,869.04
8	407-A Saw Can Open "5 Yr" Hand almond	3,385	5.39	18,245.15
9	710 Grayline Jumbo Helper Shelf (Stand)	3,924	4.22	16,559.28
10	407-C Saw Can Open "5 Yr" Hand choc	2,968	5.39	16,105.32
11	PA4-40 Mlt Cone Filter No. 4 (10 Cup) 40 ct	8,868	1.52	13,479.36
12	1800 E-Z Foil 12-pk Elec Burner Blbs	5,551	2.42	13,433.42
13	2950 Gemco Glass Replc Decant 10 Cup	2,648	4.76	12,604.48
14	SCM10/6 Mlt CoffeeMaker System 10 Cup	1,311	8.99	11,785.89
15	105-AC R/K Refl Pan 6" GE&H/P Hng Elmnt	8,167	1.43	11,678.81

MICROWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Nordic 62304 Micro-Go-Round	183	50.39	9,221.37
2	Corning M-155 Bowl 15-oz Gls-Pls Cvr	869	8.72	7,125.80
3	A/M PM469T1 Micro Bacon Rack 12"x10"	1,002	7.01	7,024.02
4	Corning M-140 Side Dish 6¾" (2)	833	8.09	6,738.97
5	A/H PM497W1 Micro Cooking Shelf	522	12.86	6,712.92
6	Corning M-245 Bowl 24-oz With Glass Cover	740	8.99	6,652.60
7	Corning M-145 Ovl Csss w/Gls-Pls Cvr	699	8.72	6,095.28
8	Corning MR-1 Ceramic Rack	646	8.99	5,807.54
9	A/H M400126 Micro Popper/Steamer/Roastr	446	12.86	5,735.56
10	Nordic 62303 Micro-Go-Round Plus	109	50.39	5,492.51
11	Corning MW-2 Micro Browning Grill	195	26.99	5,263.05
12	Microette 486 Plate Cover Clear	792	6.02	4,767.84
13	Corning MW-A10 10" Cov Brwning Skillet	168	26.99	4,534.32
14	Corning P150BPS Grab-It (1)	696	6.06	4,231.68
15	Nordic 63204 Micro Bacon/Meat Rack	439	8.09	3,551.51

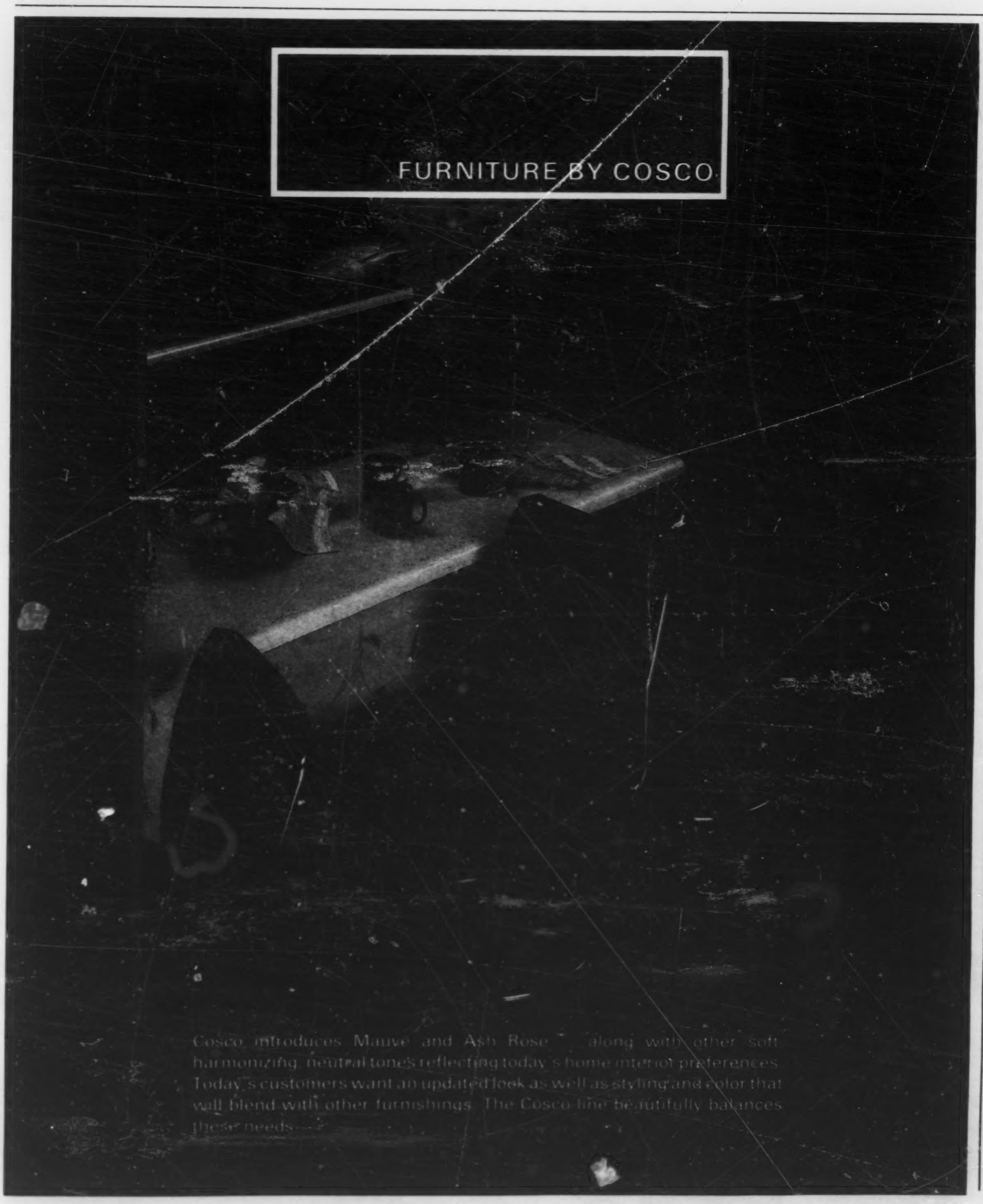
PLASTICS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Loma 364 32-Gal Garbage can	1,732	10.79	18,688.28
2	E/I 1048 Spray Bottle/Plain-Pint	8,922	1.43	12,758.46
3	Superseal 2757 2-qt Decanter Clear	6,025	2.06	12,411.50
4	Frzette 158 Uprite set (3) 1 qt	4,186	2.96	12,390.56
5	Aurora A-175/6 Plas Cutting Board 9"x15"	1,458	7.46	10,876.68
6	Frzette 155 Uprite set (4) 1.5 pt	3,540	2.96	10,478.40
7	E/I 1024 Spray Bottle/Plain qt	5,440	1.79	9,737.60
8	Frzette 154 Uprite Set (5) 1 pt	3,066	2.96	9,075.36
9	Alladin 771 Covd rnd Contnr 5.5 gal	1,451	5.66	8,212.66
10	Arrow 109 Rainbow Tumblers 16 oz	11,565	0.71	8,211.15
11	Aurora A-174/6 Plas Cutting Board 8"x12"	1,500	5.39	8,085.00
12	Aurora A-185/6 Plas Pastry Board 15"x20"	456	15.92	7,259.52
13	Dial P-245 Jumbo Odd/End Baskt 12x9x3	4,212	1.70	7,160.40
14	Frzette 152 Uprite set (2) ½ Gal	2,418	2.96	7,157.28
15	Superseal 2755 1-qt Decanter Clear	5,228	1.34	7,005.52

RUBBERMAID

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	2894-C R/Neck Rnd can 32-Gal choc	2,613	22.49	58,766.37
2	2965-A Rect Laundry Basket almond	4,176	6.20	25,891.20
3	2915 Drawer Organizer 9x3 almond	22,704	1.07	24,293.28
4	2936 Single Turntable almond	7,794	2.96	23,070.24
5	1181-A Drain Tray 15x20 almond	4,722	4.85	2,901.70
6	2937 Twin Turntable almond	4,440	5.03	22,333.20
7	0450-W Bathmat 14x22 (Wrap) white	6,108	3.59	21,927.72
8	2965-C Rect Laundry Baskt choc	3,252	6.20	20,162.40
9	2918 Drawer Organizer 16x6 almond	10,702	1.88	20,119.76
10	6032-A Dtx Dish Drain Wire almond	2,826	7.10	20,064.60
11	2845-C Sml Rect w/Basket choc	3,774	5.12	19,322.88
12	2858-A R/Neck step-On 3-qt almond	1,333	14.39	19,181.87
13	2916 Drawer Organizer 9x6 almond	13,559	1.34	18,169.06
14	2965-T Rect Luandry Baskt T/Cottz	2,700	6.20	16,740.00
15	2846-C Lrg Rect W/Basket choc	2,646	6.29	16,643.34

Source: Bacar, distributor, San Jose, Calif., for the June 1-Aug. 31, 1985 period, covering 658 stores, including 480 mass merchandisers. Average retail prices reflect typical price points for mass merchandisers.


FURNITURE BY COSCO
Cosco introduces Mauve and Ash Rose™ along with other soft harmonizing neutral tones reflecting today's home interior preferences. Today's customers want an updated look as well as styling and color that will blend with other furnishings. The Cosco line beautifully balances these needs.

Coast Gain

(Continued from page 72)

with other colors in the room.

Cookware, in particular, has taken a forward fashion stance. Discounters constantly experiment with the additions of patterned porcelain enamel-on-steel and solid color fry pans. Indeed, our sixth leading cookware item is a rouge 7-in. fry pan from T-Fal. Our No. 12 item is a black 10-in. fry pan.

The color black has been advanced by manufacturers as part of the fashion palate, particularly in bakeware, in an attempt to stimulate replacement sales.

We see discounters still stressing sales of cookware sets over open stock, though some have adopted the strategy of selling open stock pieces of upgraded sets they want shoppers to begin acquiring. By merchandising this way, retailers garner better gross margins and eliminate the barricade to sales of a high price tag for a complete set.

Overall, we've seen modest upscaling of housewares continue in our markets, despite some economic problems in California brought about by slackness in the computer industry.

Layoffs haven't affected retail sales here because we're not totally dependent on one industry.

We are seeing discounters affected by the growth of membership warehouse chains. I think their low everyday pricing could be a prime reason behind all the extra discounter ads we'll see this fall. Catalogers are feeling the onslaught of wholesale clubs even more because they, like the warehouses, require customers to service themselves. They're also less flexible in pricing than conventional discounters, and can't respond as well to the threat.

Industrywide, housewares manufacturers have built up inventories to meet demand for their trade specials and Christmas merchandise. Low interest rates and a strong dollar have contributed to that position.

One seasonal item we'll try is Corning tableware in holiday patterns, which should retail at $19.99 per 16-piece set and $5.99 a platter. We wouldn't have touched it with a 30-ft. pole because we've never bought decorative Christmas goods.

But Corning has offered this as a guaranteed sale—the first time they've ever done this with any item, so we're supporting it. However, there's no hint that Corning will offer guaranteed sales on anything else.

Visions see-through stovetop cookware, which is also microwavable, continues to dominate Corning offerings. The line holds eight of the top 15 sales spots.

Corning also reintroduced its Counter Saver glass cutting board this year, and it's catching on.

French White also continues strong, thanks to its clean gourmet appearance. Older, established Corning patterns are purely replacement business.

Rubbermaid is aggressively trying to blanket the market with plastics in all categories. Its positive impact on food storage earlier this year was strong. Its existing product lines continue to be steady.

As far as the slate blue offerings to be shown at the Housewares Show, we'll have to see it on merchandise before we can evaluate how it would be accepted by consumers. So far, chocolate and almond colors dominate.

HOUSEWARES SHOW

GADGETS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Swingaway 407/1 Port Open Asst	2,983	4.43	13,214.69
2	Foly 101 Food Mill 2 at.	990	9.63	9,533.70
3	Ahew 1574 4-pk Paring Knife	6,170	1.41	8,699.70
4	Brom 119 4-Sided Grater	5,531	1.40	7,743.40
5	Trav 6666 Sunbeams	6,301	1.17	7,372.17
6	Ekco 30761 Sm Turner Nylon	4,134	1.53	6,325.02
7	Geas 341X Ash Tray 7"	4,447	1.35	6,003.45
8	Ekco 30431 Jumbo Turner Nylon	3,965	1.47	5,828.55
9	Ahew 1554 Steak Knives	3,050	1.86	5,673.00
10	Arrow 13 Measure Cup Set	4,723	1.20	5,667.60
11	Ekco 06852 Can Opener	5,494	1.01	5,548.94
12	Rhod 29006 Marktime Timer	867	6.38	5,531.46
13	Ekco 30401 Pan Turner Nylon	3,605	1.53	5,515.65
14	Ekco 30081 Basting Spoon	4,573	1.17	5,350.41
15	Wall 601 Wood Mix Spoons	7,380	0.72	5,313.60

TABLE TOP

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Corelle 16-23 16-pc set, med bl	3,263	23.19	75,668.97
2	Corning 5016-73 Calco Rse 16	2,223	29.48	65,534.04
3	Corelle 16-24 16-pc set, burg	2,480	23.19	57,511.20
4	Corelle 16-4 set, gld	2,370	23.19	54,960.30
5	Corelle 16-29 16-pc set, bouq	1,924	23.19	44,617.56
6	Corning 5016-74 Windflower 16	1,412	29.48	41,625.76
7	Corelle 16-1 set, grn	1,668	23.19	38,680.92
8	Corelle 16-N set wht	1,405	23.19	32,581.95
9	Corelle 16-5 set, blu	1,041	23.19	24,140.79
10	Corelle 35-23 35-pc set lt blue	212	55.95	11,861.40
11	Corelle 35-4 35-pc set, gld	184	55.95	10,294.80
12	Corelle 35-1 35-pc set, gr	155	55.95	8,672.25
13	Corelle 106-23 Md Plate, med bl	402	9.19	3,694.38
14	Corelle 106-4 Md Plate, gld	391	9.19	3,593.29
15	Corning 106-4 Sm Plate, gld	414	8.61	3,564.54

CORNING

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	V-300 Saucepan, 6 pc	1,095	34.84	38,149.80
2	V-1 Covered Saucepan, 1 qt	1,186	11.48	13,615.28
3	A338 Trio set spice	648	20.16	13,063.68
4	A33 Trio set cornflower	545	20.16	10,987.20
5	V-2.5 Cov Pan, 2.5 qt	594	16.74	9,943.56
6	V-20 1.5 qt Double Boiler	441	20.88	9,208.08
7	8030-4 Thermique, blu	581	14.92	8,668.52
8	8030-1 Thermique, br	558	14.92	8,325.36
9	8030-3 Thermique, red	499	14.92	7,445.08
10	8030-2 Thermique, san	472	14.92	7,042.24
11	V-6-H Visn Skillet 7	793	7.92	6,280.56
12	A-1 ½ Cover Ds, cornflower	592	10.44	6,180.48
13	V-7 Saucepan 1.5 qt	599	8.95	5,361.05
14	V-5 Covered Saucepan, 5 qt	275	19.10	5,252.50
15	A-3 Covered Saucepan	336	14.82	4,979.52

GLASSWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Anchor 3600/810 Bev set, 24	3,518	10.29	36,200.22
2	Anchor 2100/103 Tempo clr, 18	3,698	6.93	25,627.14
3	Anchor 1500/7 Crown Punch, 18	971	14.64	14,215.44
4	Durand 8050130 24-pc Lancer	846	14.91	12,613.86
5	Libbey 82443 Impromp, clr, 24	950	10.61	10,079.50
6	Durand 0655001 Romantiq, 16	252	26.94	6,788.88
7	Durand 0655000 Provincl, 16	220	26.94	5,926.80
8	Durand 3053188 Harmny, 18	268	9.52	2,551.36
9	Anchor 300/279A Arlington, 18	188	11.94	2,244.72
10	Durand 8058236 18-pc Lanc	160	13.65	2.184.00
11	Anchor BB 3100/324 Plaz, blu	150	11.55	1,732.50
12	Anchor H400/926 13-pc Bak	96	17.91	1,719.36
13	Libbey 81842 Eleganc clr, 18	128	8.72	1,116.16
14	Anchor YC3100/325 Plaz, plm	96	11.55	1,108.80
15	Libbey 82443M Impromp, bl, 24	92	10.61	976.12

Bottom line.

MORE PROFITS. No one can build your profits like ORTHO. We begin by offering you excellent dealer margins. Then we give you something no other manufacturer can match. America's number one line of lawn and garden products.

If that isn't enough, ORTHO lets you supplement dealer margins with special offers to allow extra profits on volume products—up front, not in rebates at the end of the season.

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All this is backed up by ORTHO's track record with researched and proven products that provide quality your customers trust. Products fully guaranteed to assure your customers 100% satisfaction.

So to increase your profits, get in touch with your ORTHO representative. Just ask for the top line. The bottom line will take care of itself.

Chevron ORTHO Chevron Chemical Company

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ORTHO WORKS WONDERS

Markdown Bath Won't Occur Again

By ARNOLD REINHARD
VP-Sales and Marketing, Schreiber Company

PMA PRODUCT MOVEMENT AUDIT

As we approach this Christmas season, I believe we'll see no repeat of last year's inventory build-up and markdown bath in housewares.

Merchandise managers are keeping a tight rein on inventory, though they're extremely willing to try new products and programs. Discounters express a dire need for more new products on the market, but that's a perennial complaint.

Discounters aren't buying lighter than last year, but closer in. They're limiting their risk by not forecasting as far out as a year ago. Many discounters in our markets are forecasting three months ahead of time, not six months, as had been standard practice for a while.

Indeed, we're getting orders from major discounters just two-to-three weeks ahead of shipping schedule. This isn't happening just at smaller chains of less than 10 stores; operators of say, 100 stores, are doing it now too.

Such close monitoring by discounters reflects their cautious attitude about sales prospects over the next few months. Like buyers elsewhere, people in our markets are looking at 8%-9% annual sales gains.

Nobody feels upbeat over the final quarter because we lose five critical sale days between Thanksgiving and Christmas. We expect to see intense promotions throughout the entire gift-giving season to drive sales.

Indeed, such flyer activity has begun earlier than I can recall in years. By the first week in October, I'd already seen the first Christmas layaway circular.

I also see discounters turning more and more to housewares to buttress their hard goods volume, because their hardware business is very soft now.

Yet, even though they're leaning more heavily on housewares to achieve sales growth, they're buying according to less ambitious plans than a year ago.

Manufacturers also feel the need to be extra-promotional to stimulate retail activity and succeed in their own market share battles. There seems to be no bottom to pricing in categories like cookware and dinnerware. At least glassware has stabilized for now, coming off a two-year stretch in which prices skidded more than 10% annually because of keen competition among domestic and foreign suppliers.

Libbey and Anchor Hocking remain highly promotional, to stem the pricing impact of Crisa and Durand. The jury is still out on the single-pack merchandising system, unveiled by Anchor Hocking at the latest Housewares Show. Buyers appear positive about how it can help bulk glassware sales, but initial

(Continued on page 80)

HOUSEWARES SHOW

Markdowns

(Continued from page 78)

shipments have been delayed until January.

Some buyers told me they'll stay with the 4-packs for easier and higher-ticket unit sales. They don't think brand loyalty will necessarily follow from the use of cardboard sleeves for single glasses.

In our general view, we've seen few significant price increases by manufacturers all year. In fact, lower prices in cookware and dinnerware have discounters eying these categories for selected expansion of sku's.

Other merchandise categories discounters are targeting for expansion include higher-ticket, higher-margin microwave cookware and accessories, food storage, closet storage items and vacuumware.

Microwave cookware, for example, will continue to be a growth leader in our markets—about 15% for 1985 overall—as ovens achieve additional household penetration. We expect compact ovens, under 1 cubic foot of capacity, to be the key growth segment because most people are still using microwaves to reheat foods.

Anchor Hocking dominates the top 15 category rankings, while Corning, Nordic and Litton also do well in many markets. The Rubbermaid Cookables and Heatables line may make a greater impact in 1986.

Meantime, special function accessories such as bacon racks, divided dishes and popcorn poppers are among growth leaders.

We expect the popularity of compact microwaves to spur assortment shifts at discounters toward single serve dishes and other small accessories.

Food storage and small plastics are benefiting from their frequent adjacencies with microwave cookware, as well as the presence of Rubbermaid. The brand has given food storage greater acceptability, and prompted competitive responses from Eagle, Republic and other vendors.

In gadgets, we've seen development of more continuity package programs in which card colors indicate price range. While we saw that as a positive trend earlier in the year, there is some discounter backlash developing.

Some buyers think an uncoordinated look creates visual tension and excitement, and gives the impression of greater variety.

For the most part, discounters are dropping low-end gadgets, priced at less than $1, leaving that business to grocery chains.

PYREX

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	6230-F Casserol/Bskt	1,614	8.13	13,121.82
2	300-61 Bowl set frst	905	10.68	9,665.40
3	2320-F 2 qt Dish/Basket	1,042	9.10	9,482.20
4	300-95 3-pc Bowl cl	878	10.68	9,377.04
5	2220-F Sq Cake/Basket	1,015	8.13	8,251.95
6	233 Utility Dish, 3 qt	1,331	5.21	6,934.51
7	232 Utility Dish, 2 qt	1,522	4.48	6,818.56
8	300-80 Shen Bowl set	634	10.68	6,771.12
9	508 8 oz Measure Cup	2,702	1.98	5,349.96
10	222 Square Cake	1,416	3.66	5,182.56
11	464-D 10 oz Deep Dish	1,188	3.89	4,621.32
12	209 Pie Plate 9"	2,044	2.24	4,578.56
13	2330 bake Dish/Basket	336	13.58	4,562.88
14	234 4 qt Baking Dish	608	6.75	4,104.00
15	463-D 6 oz Custard	1,380	2.84	3,919.20

MICROWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Anchor PM400/155 5-pc Pet	2,924	19.45	56,871.80
2	Anchor PM400/126 Popcorn Popper	4,837	10.10	48,853.70
3	Anchor PM481/T1 Utility Pan	7,829	5.40	42,276.60
4	Anchor PM486/T1 Divided Plate	6,697	5.40	36,163.80
5	Anchor PM469/T1 Bacon Rack	6,089	5.40	32,929.20
6	Anchor PM447/T1 Muffin Pan	5,174	5.40	27,939.60
7	Anchor PM446/T1 Rd Bacon Rack	4,678	5.40	25,261.20
8	Anchor PM444/T1 Bake Sheet	4,280	5.40	23,112.00
9	Anchor PM498/T1 Bundt Cake Pan	3,600	5.40	19,440.00
10	Anchor PM499 All Purpose Rack	3,582	5.40	19,342.80
11	PA600/112 Turntable	590	28.22	16,649.80
12	Anchor PM459/T1 Baking Ring	2,797	5.40	15,103.80
13	Anchor PM480/T1 4 qt Cooker	1,438	10.10	14,523.80
14	Anchor OM400/131 Main Dish	2,590	4.70	12,173.00
15	Corning Mw-A-10 Browning Skillet	605	19.41	11,743.05

COOKWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Ghsw 0707 21-qt Covered Canner	1,641	14.14	23,203.74
2	Regal W3271 12" Gourmet Pan	2,718	7.92	21,526.56
3	Regal W3270 10" Gourmet Pan	3,657	5.68	20,771.76
4	Kenc FSL-7 7-pc Copper Bottom	1,075	16.52	17,759.00
5	Anchor 3676DE Crystal Tea 16	41,715	0.31	12,931.65
6	Ekco 64100 Cookie Sheet	4,344	2.97	12,901.68
7	Regal W3269 8½ Gourmet Pan	3,429	3.76	12,893.04
8	Mirro 1487-34 7-pc Cookware	491	22.78	11,184.98
9	Ekco 64330 Oblong Cake Pan	3,663	2.97	10,879.11
10	Mirro M-1452-34 12" Frypan	1,308	7.43	9,718.44
11	Stnc PC500-8 Burner Bib Ge	6,840	1.33	8,506.68
12	Mirro MO932-36 Teakettle, Choc	1,781	5.00	8,905.00
13	Stnc 701-6 Burner Bib Plug	4,786	1.82	8,710.52
14	Stnc 602-8 Burner Bib Fital	6,396	1.33	8,506.68
15	Mirro MO932-43 Teakettle, Alm	1,698	5.00	8,490.00

RUBBERMAID

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	2982 20 gal Can, choc	2,529	14.14	35,760.06
2	8765 Ice Tray Display	11,089	1.37	15,191.93
3	2965-19 Laundry Basket, choc	3,834	3.50	13,419.00
4	2864 Swingtop Basket, choc	1,763	7.45	13,134.35
5	2965-19 Laundry Basket, alm	3,564	3.50	12,474.00
6	2965 Laundry Basket, alm	2,275	5.07	11,534.25
7	2864 Swingtop basket, alm	1,440	7.45	10,728.00
8	0450 Bath Mat, lt blue	3,480	2.91	10,126.80
9	2965 Laundry Basket, choc	1,941	5.07	9,840.87
10	0450 Bath Mat, white	3,336	2.91	9,707.76
11	2858 Step-on Can, alm	717	11.49	8,238.33
12	2858 Step-on Can, choc	664	11.49	7,629.36
13	2890 30-gal Rghnck, choc	544	14.00	7,616.00
14	0450 Bath Mat, alm	2,491	2.91	7,248.81
15	2987 Hamper, alm	696	10.40	7,238.40

BATH SHOP

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Selfix 443-94 Portable shower	1,921	8.27	15,886.67
2	Mafr 66TT Toilet seat, white	1,962	7.77	15,244.74
3	Selfix C441-94 Shampoo Spray	5,953	1.80	10,715.40
4	Naut N8773 Essex Oak Cabinet	235	40.92	9,616.20
5	Selfix 2208-94 Tissue Holder	6,352	1.25	7,940.00
6	Magn M100 Toilet Seat, white	804	7.71	6,198.84
7	Kelg 215 Bowl Brush Tamp	5,577	1.09	6,078.93
8	Ekco 38110 18" Towel Bar	2,556	2.07	5,290.92
9	Naut N323LW Ventura Cabinet	108	44.47	4,802.76
10	Ekco 38170 24" Towel Bar	1,937	2.42	4,687.54
11	Ekco 38090 Tissue Holder	2,634	1.90	4,491.60
12	Mafr 44D Toilet Seat, white	471	9.24	4,352.04
13	Selfix 2274-94 Towel Bar, 24	2,376	1.75	4,158.00
14	Coun 410N-90 Wckr Scale W	274	14.65	4,014.10
15	Selfix 2210-94 Towel Ring	3,133	1.28	4,010.24

Source: Schreiber, distributor, Lititz, Pa., for the June 1-Aug. 31, 1985 period, covering 625 stores, including 545 discount department stores in the Northeast, Southeast, mid-Atlantic and North Central regions.

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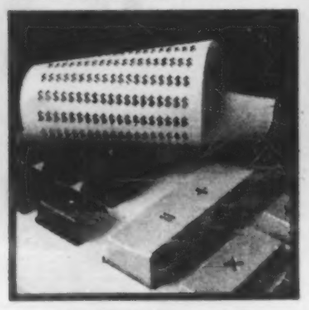

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Best to Invade New York Metro Market in '86

(Continued from page 1)
the Roosevelt Field Shopping Center, one of the largest regional malls in the nation. Surrounding that center are such specialty discounters as Marshalls, NBO, Toys "R" Us, Kids "R" Us and Crazy Eddie.

- A 56,000-sq.-ft. unit in a new strip center being built in Yonkers, Westchester County, adjacent to the Cross County Center, another regional shopping center. It is located at the intersection of two major arteries: the New York State Thruway and the Cross County Parkway.
- A 55,000-sq.-ft. store in Dover, N.J., which is on the fringe of Metro New York Area. It's a suburban area that currently doesn't have any Service or CD.
- The recycling of stores to be leased in Paramus and Watchung, N.J. Negotiations for those sites were being completed at presstime.

Paramus is one of the premier retailing areas in the country, home to three massive enclosed shopping centers. Along the two main highways that form the heart of the market—routes 4 and 17—are also found specialty stores, along with Service and CD, that aren't in the malls.

In the past, Best hasn't disclosed expansion plans a year ahead of projected late summer and fall openings. Trade observers speculated top management did so this time to reaffirm the cataloger's commitment to grow and its willingness to take on its major competitors despite the company-projected lackluster financial performance this year.

Additionally, the New York move is seen as raising Best's profile on Wall Street as security analysts for the major brokerage houses will more readily be able to visit and shop the cataloger's showrooms, rather than having to schedule specific research trips to the headquarters Richmond area or the nearest market, Philadelphia.

In entering metro New York, Best goes into a market that, despite its size, hasn't been a competitive hotbox in general merchandise hard goods since such discounters as Unishops, Korvettes, Two Guys and Great Eastern folded during the course of the 1970's.

The heavyweight general merchandise retailers in the market now are full-priced department stores, upscale discounters Bradlees and Caldor, along with K mart—all of which are focusing on apparel—plus CD, Service and specialty toy, photo and consumer electronics chains; only the latter grouping of stores makes any noises about low prices for hard goods.

Trade observers asserted that Best's need to quickly buy market share could result in the distribution of a low-priced "butcher" catalog, along with heavy promotions for the showroom upon its entry into New York. Best followed this marketing plan a few years ago when it entered Philadelphia and then Miami.

This marketing, in turn, could trigger heavy counter promotions from Service and CD, each of which would be acting to hold onto, if not expand, its market share.

Both increased their presence in the market this year and plan to do the same next year.

Service, which is battling Best for the top volume spot among catalogers, unveiled a 25,000-sq.-ft. mini-showroom in August in the Woodhaven section of Queens as its first store within New York City itself, and No. 13 in the market (see *DSN*, Oct. 14, p. 39).

The cataloger has already scheduled a similar-size unit for Staten Island next fall as its second showroom within the city limits. That unit will follow a spring opening of a 50,000-sq.-ft. showroom in the Long Island suburb of Patchogue.

CD, meanwhile, is due to open a 21,147-sq.-ft. showroom in the Kissena Boulevard section of Queens at the end of this month as its sixth store in the borough. That unit is one of three the cataloger is unveiling this year as part of a plan to develop a larger-size prototype to replace its current 10,000- to 15,000-sq.-ft. model.

CD executives said the enlarged showrooms would display more merchandise than its current smaller prototype, thereby increasing sales. Such units are seen as a key factor in enabling CD to better compete against Best and Service and become a profitable operation.

As CD's largest market in terms of showrooms, sales and potential, the cataloger is expected to plant a large number of expanded stores in metro New York once the new prototype is set.

—ARTHUR MARKOWITZ

Turnover Gains, Markups Falter

(Continued from page 3)
tives, among others, while showing slight increases in housewares and sporting goods.

Gross margin comparisons presented a mixed bag, with decreases registered in 22 departments, increases in 23, with one department—toys—remaining stable. Notable increases were shown in traffic appliances, up 7.94 points or 50% from the previous year's level; juvenile furniture, up 5.61 points; fabrics, notions and yarns, with a 4.38 points increase; and women's dresses, up 2.88 points.

The deepest gross margin drops were experienced in housewares, off 2.89 points; candy, off 1.68; and domestics, off 1.33.

Clarification

The headline and article in the Oct. 28 issue of *Discount Store News*, "Discounters Boost Net to 2.54% in '84-'85, Their Highest Ever," referred to *all* respondents to the NMRI/Cornell University study. The chart which accompanied the article on p. 1 was based on responses from a control group of 26 chains which responded to the latest and previous surveys.

NRMA Will Issue Guidelines

(Continued from page 3)
ny will switch over if the new standard proves to be viable and if the change can be made without disrupting the present system.

According to the NRMA's Miller, the new system will make switching easy. "A translation package for transferring K mart's or somebody else's system and making it compatible with X 12 would sell for about $6,000 and that would give them access to many more vendors," he said.

It would also overcome the limits built into a one chain system. An average computer-to-computer transaction at K mart takes 10 minutes. Even with six telephone lines, the maximum number of orders that can be processed in a 24-hour day would be 864. With X 12 and a central computer the number would be limitless.

Despite 10 years of effort, the NRMA has no intention of going into the computer business, said Miller. The organization will just publish guidelines for setting up the X 12 system. General Electric Information Services Company (GEISCO) will bring out the software in a joint ownership/licensing agreement with the association.

The price of the package has not been set, but it will probably be a couple of thousand dollars—much less than a store would have to spend to develop its own system.

Running the system, too, is being left to outsiders. There are already a number of computer information exchange systems in place, run by, for example, G.E. and AT&T. And nothing is preventing stores and suppliers to set up or continue their direct contacts. All the NRMA is trying to do is making sure that every computer is talking the same language.

Mfrs.' Appliance Shipments Gain

CHICAGO — Major appliance shipments rose 3.9% in September, according to figures released by the Association of Home Appliance Manufacturers (AHAM).

Increases in several categories were offset by a decline in cooking appliances, with sales of microwave ovens dropping off 3.9% to 852,500 units, compared to the same month a year ago. For the third quarter, microwave sales ran 6.8% ahead of last year, while so far this year sales are up 25.1%. These numbers include domestically produced units for sale here and for export.

In all, 3.39 million major appliances were shipped in September. Product categories showing the greatest growth were home laundry, up 10.5%; food preservation, up 6.6%; and kitchen cleanup, up 3.1%.

Wal-Mart's Sales Up 29% in Sept.

BENTONVILLE, Ark. — Wal-Mart Stores reported net retail sales for September 1985 of $628,000,000, an increase of 29% compared to $487,000,000 in the same period last year.

For the first eight months of the chain's fiscal year, sales increased 31% to $4,950,000,000, up from $3,783,000,000 last year.

Same-store sales grew 5% for September, and 9% for the eight months.

Highlights of Mass Merchandisers' Operating Results

Category	Sales % of total store: Most recent fiscal year	Previous fiscal year	%-Point change	Annual turns: Most recent fiscal year	Previous fiscal year	%-Point change	Cumulative markup (%): Most recent fiscal year	Previous fiscal year	%-Point change	Markdown at retail (%): Most recent fiscal year	Previous fiscal year	%-Point change	Gross margin (%): Most recent fiscal year	Previous fiscal year	%-Point change
Women's dresses	0.92	1.09	−0.17	4.84	4.50	+0.34	46.84	45.26	+1.58	19.51	18.42	+1.09	36.59	34.11	+2.48
Lingerie, robes & sleepwear	2.44	2.47	−0.03	4.48	3.76	+0.72	44.22	44.13	+0.09	10.30	9.32	+0.98	38.72	38.24	+0.48
Hosiery	1.55	1.57	−0.02	4.99	4.23	+0.76	40.54	40.99	−0.45	7.10	6.55	+0.55	36.39	36.20	+0.19
Sports, leisure & beachwear	6.12	6.03	+0.09	6.24	5.30	+0.94	46.57	46.11	+0.46	17.09	15.80	+1.29	37.42	36.61	+0.81
Handbags and accessories	1.46	1.30	+0.16	4.88	4.26	+0.62	50.32	50.41	−0.09	14.33	12.75	+1.58	42.93	42.88	+0.05
Jewelry and watches	2.20	1.99	+0.21	3.05	2.25	+0.80	48.96	49.96	−1.00	15.36	18.03	−2.67	39.28	38.35	+0.93
Men's wear	6.89	6.87	+0.02	4.53	3.93	+0.60	42.54	42.49	+0.05	13.71	11.18	+2.53	34.50	34.97	−0.47
Men's outerwear	1.97	2.26	−0.29	4.00	3.90	+0.10	44.66	44.84	−0.18	18.72	14.23	+4.49	33.63	34.46	−0.83
Girls' wear	2.27	2.27	0	4.67	4.34	+0.33	45.28	45.15	+0.13	15.85	13.75	+2.10	36.66	36.62	+0.04
Boys' wear	2.43	2.48	−0.05	4.23	3.59	+0.64	42.57	42.75	−0.18	13.63	11.64	+1.99	34.52	35.34	+0.82
Infants' wear	2.83	2.78	+0.05	5.32	4.14	+1.18	37.15	36.11	−1.04	11.02	8.42	+2.60	30.11	30.30	−0.20
Juvenile furniture	0.59	0.24	+0.35	3.43	3.64	−0.21	39.77	34.53	+5.24	13.01	10.44	+2.57	31.67	26.06	+5.61
Shoes	3.37	3.49	−0.12	3.88	2.63	+1.25	49.62	50.28	−0.66	14.75	15.80	−1.05	42.45	43.62	−1.17
Domestics	4.49	5.16	−0.67	2.75	2.57	+0.18	39.71	41.36	−1.65	12.22	11.64	+0.58	32.75	34.08	−1.33
Fabrics, notions and yarns	2.78	2.49	+0.29	4.70	2.63	+2.07	39.59	38.13	+1.46	10.16	9.62	+0.54	34.55	30.17	+4.38
Housewares	5.11	4.40	+0.71	3.44	2.92	+0.52	37.36	40.02	−2.66	11.70	11.66	+0.04	30.46	33.35	−2.89
Hardware	3.03	3.02	+0.01	3.21	2.58	+0.63	36.76	37.84	−1.08	8.65	8.99	−0.34	30.36	31.01	−0.65
Paints & accessories	1.16	1.28	−0.12	2.72	2.23	+0.49	38.94	39.84	−0.90	9.84	10.08	−0.24	32.89	33.31	−0.42
Toys and games	6.43	5.65	+0.78	4.34	3.53	+0.81	32.83	33.90	−1.02	7.17	7.96	−0.79	28.10	28.10	0
Sporting goods	3.49	3.17	+0.32	3.74	2.38	+1.36	31.51	32.47	−0.96	8.84	8.62	+0.22	26.42	26.71	−0.29
Traffic appliances	2.13	2.41	−0.28	4.74	3.49	+1.25	28.54	24.17	+4.37	8.95	9.59	−0.64	23.38	15.89	+7.94
Sight/sound appliances	4.03	3.86	+0.17	3.61	2.88	+0.73	24.84	24.92	−0.08	10.13	11.89	−1.76	16.59	15.90	+0.69
Photo supplies	1.63	1.59	+0.04	4.61	3.43	+1.18	22.00	23.29	−1.29	7.39	8.73	−1.34	15.95	14.96	+0.99
Candy	3.76	3.54	+0.22	10.97	8.23	+2.74	21.83	23.06	−1.23	6.41	5.84	+0.57	16.45	18.13	−1.68
Stationery & greeting cards	3.14	3.01	+0.13	4.44	3.69	+0.75	42.93	43.57	−0.64	6.66	6.66	0	39.48	39.38	+0.10
Drugs and cosmetics	7.98	7.83	+0.15	5.26	4.06	+1.20	24.38	25.15	−0.77	5.81	5.72	+0.09	19.57	20.32	−0.75
Cosmetics & beauty aids	2.47	2.13	+0.34	2.93	3.20	−0.27	29.06	30.53	−1.47	7.14	9.53	−2.39	21.76	22.79	−1.03
Lawn and garden	2.43	2.35	+0.08	5.40	3.74	+1.66	31.81	33.20	−1.39	13.73	14.12	−0.39	22.01	23.19	−1.18
Auto accessories	3.94	4.03	−0.09	4.20	2.89	+1.31	31.31	33.32	−2.01	8.08	9.69	−1.61	25.55	25.67	−0.12

Source: NMRI's *Mass Retailers' Merchandising Report*

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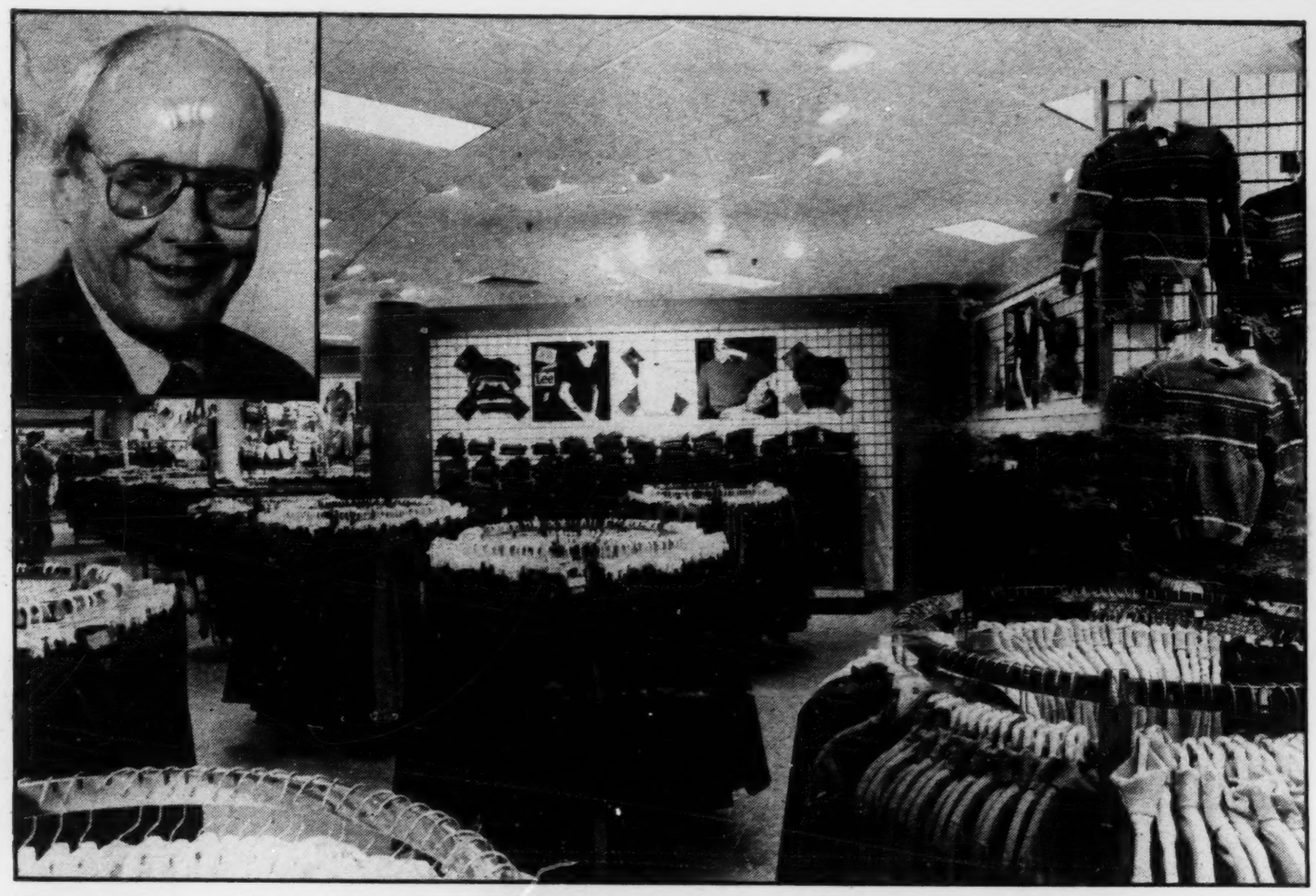

Target chairman Bruce Allbright said by the end of 1986, about 50 stores will have elements of the latest prototype, such as freestanding apparel department walls and graphics seen here in Edina, Minn.

Target Steps Up Growth, Prototype

By IRIS S. ROSENBERG

MINNEAPOLIS — Target's newly minted prototype store format will quickly gain a grip on the 226-unit chain following the company parent's announced plan to accelerate the discounter's new store opening plans.

By the end of the next year, about 50 Target stores will bear the stamp of the new prototype design unveiled in Edina, Minn. (Minneapolis) and Garland, Tex. (Dallas) last month (see *DSN* page 1, Oct. 14th issue). This includes 23 stores slated for remodeling in 1986 and another 21 scheduled to be built during the year.

Parent Dayton Hudson has earmarked $4 billion in capital expenditures for its six retail divisions, to be spent between 1986 and 1990. During the period, Target will open 117 new units. A year ago, Dayton Hudson announced a $3.2 billion capital expansion plan which was to see the chain add 72 stores between 1985 and 1989; 11 stores have been opened thus far this year.

The chain's continuing strong sales performance, which surpassed $3.5 billion at the end of its last fiscal year, prompted Dayton Hudson management to accelerate the division's growth.

Eighty-five per cent of the new capital budget will be spent by Target and its sister division Mervyn's, a junior department store chain.

The remodeling of five other stores, also in the Dallas/Fort Worth market (Plano, Carrollton, Hulen, Hurst and West Fort Worth), was completed in early November.

The next round of remodels, slated to begin after Christmas, will focus on stores in the Minneapolis/St. Paul and Denver metro markets, according to

(Continued on page 45)

Warehouse Clubs Jockey for Position In Growth Market

Nationwide DSN *Report*

The race is on among several major companies to become the key players—and survivors—in the fast-growing membership warehouse industry.

The industry, sparked by the growth of its two dominant chains—Price Club and Sam's Wholesale Club—is planting roots in an increasing number of markets and should end the year with about 130 stores, double the number in 1984.

It's this growth, along with the industry's glowing future outlook, which is seen as triggering the upcoming fight among the current dozen different wholesale clubs for a major piece of what is expected to become a 1,000 store, $50 billion plus merchandising field by the end of the decade.

By the end of this year, the companies already in the industry—seven major contenders and six smaller operators—are expected to have about $4 billion in sales, up from about $1.1 billion last year.

The jockeying to become a major wholesale club by obtaining the financial strength to grow and expand has seen two firms, PACE and the Warehouse Club, become publicly held companies, while two others, Costco and the Wholesale Club, are in registration and a few of the smaller operations are expected to follow suit.

The under-financed smaller wholesale clubs are also prime candidates for acquisition by larger membership warehouses. That movement has already started; earlier this year BJ's Wholesale Club agreed to acquire Metro Cash & Carry Wholesale, a three-unit operation in Chicago, as its entry into the Windy City.

The Kroger supermarket company, meanwhile, acquired Price Savers from parent Pay 'n Save, and plans to rapidly expand the four-unit chain with a fifth store scheduled to open next month. Kroger is the first grocery chain to move into the wholesale club field and trade sources report that other supermarket companies are considering the same action.

Membership warehouses, with about half their sales comprised of food and sundries—the core business of a supermarket—are seen as a natural extension of a grocery chain's operations.

PACE president Henry W. Haimsohn explained that wholesale clubs are "extremely capital intensive and if you don't have the finances, the resources, you can't be competitive."

In its public offering, PACE raised over $43 million, while the Warehouse Club obtained slightly over $35 million from its public placement.

The Wholesale Club, based in Indianapolis, is seeking to raise between $14 million and $17.5 million from its offering, while Seattle-based Costco's goal is $58 million to $71 million.

The potential of membership warehouses has resulted in companies being able to obtain funds—in some cases even start-up money—in private placements, so that the companies can show an operational history before going public.

Costco last year raised about

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IN BRIEF

• **SCOA INDUSTRIES** Inc. stockholders are scheduled to meet on Dec. 10 in a special session to vote on a proposed $637 million leveraged buyout of the company. The buyout group includes several key executives of Hills, a SCOA subsidiary.

• **INTEGRATED BARter** International, a wholesale supplier of closeout and liquidation merchandise, plans to enter the retail field through a new subsidiary called Closeouts Plus. A registration statement for stocks and warrants to help finance the proposed chain is pending at the Securities and Exchange Commission.

Pic 'n' Save Founder Buys Into Pay 'n Save

SEATTLE — William Zimmerman, founder and former chairman of the Pic 'n' Save closeout chain, has acquired half interest in Pay 'n Save Stores, and has taken over as that chain's chairman and chief executive officer.

The Zimmerman Family Partnerships shares ownership of the 108-store chain with the Trump Group, which bought Pay 'n Save Corp., parent company of the drug store chain, late last year.

The chain's management team will also include two current executives: Allen Culver, president of stores and chairman of the Northwest Division, and Maynard Jenkins, Northwest Division president. Culver previously held the title of chairman of Pay 'n Save Northwest, which included only those drug stores in the continental United States. With his new position, he also oversees stores in Alaska and Hawaii. In addition, Avi Navah, formerly of Pic 'n' Save, has joined the company as vice president.

Culver said the chain plans to take advantage of the merchandising techniques and contacts Zimmerman developed during his years at Pic 'n' Save. As a closeout operation, Pic 'n' Save takes advantage of low-cost, one-time deals that offer shoppers items at prices 40% to 70%

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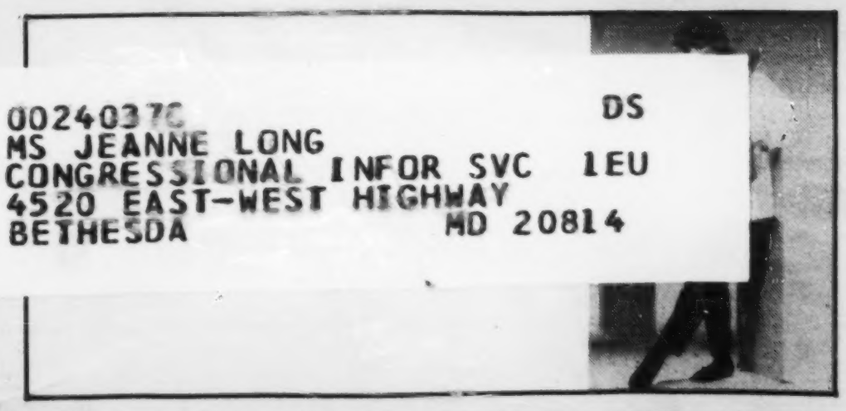
Seven Top Warehouse Clubs Compared

Company	Sales (millions)	Income (millions)	Projected Store Count as of Dec. 31, 1985	Projected Openings 1986
Price Club	$1,834.0[a]	$46.0[a]	25	10
Costco	366.4[a]	(6.0)	20	10
Sam's*	25.0	8.5	23	25
PACE	76.1[c]	0.6	16	15
Wholesale Club	46.1	(1.6)	5	5
Warehouse Club	26.0[b]	(1.3)[b]	7	9

[a] For fiscal year ended Sept. 1, 1985. [b] For fiscal year ended Sept. 30, 1984. [c] Includes membership fees. *Analyst estimates

Sources: Company prospectus, financial reports.



'86 Licenses: The Accent Is on Plush

Diary of a License

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Discounters Tighten Store Manager Benefit Packages

NEW YORK — Mass merchandise chains are tightening up on the benefits packages being offered to store managers, according to a survey conducted by the National Mass Retailing Institute (NMRI).

Responses to the group's 1985 Mass Retailers' Executive Perquisite Report indicated that while benefits have essentially stabilized for top executives, chains are reworking compensation packages offered to store managers.

For example, only 11% of the chains said they currently provide dental insurance plans to store managers—a sharp drop from the 30% that offered them when the survey was last conducted two years ago.

In fact, benefits for store managers were up in only six of the 52 categories in the study; in 37 categories, the number of chains offering the benefits declined.

The results are based on responses to questionnaires distributed to NMRI retail members every other year. Response rate this year was 75%.

NMRI president Richard I. Hersh said that comments on response forms indicated companies are generally cutting back on the depth of health care benefits. "They are increasing the number of people covered," said Hersh, "but they are lowering the coverage."

One way they're doing that is requiring the employee to pay part of the insurance cost, or excluding coverage for an executive's family.

The survey figures show that ceos and presidents have medical coverage in 95% of the companies surveyed, as opposed to 90% two years ago. The increase is more dramatic at the middle management levels: 78% of the top regional managers now receive health insurance, up 27 percentage points compared to 1983. Coverage for all levels of field management also shows a significant gain of more than 20 percentage points across the board.

At the store level the situation has not changed much: 55% of the companies surveyed give their store managers medical coverage (58% in 1983), and 53% offer it to their assistant store managers (54%).

The perks study revealed a significant shift in the way health benefits are now being offered. More companies are moving away from the traditional fixed benefit packages to so-called "cafeteria benefits" which allow the employee to pick and choose, cafeteria-style, from among several benefits to assemble a package best suited to his or her individual circumstances.

The survey does not break out how many companies have increased contribution required from employees for health care or taken other measures to lower the costs of increasingly expensive medical benefits. But, some of the figures tend to support this conclusion.

For example, fewer companies are giving their executives fully paid dental insurance. Only 33% of the ceo's receive that benefit (down from 36% two years ago, 17% of the top merchandising managers (from

(Continued on page 46)

Percentage of Chains Offering Perks

Perquisite	To CEOs/ Presidents 1985	To CEOs/ Presidents 1983	To Top Merchandising Execs 1985	To Top Merchandising Execs 1983	To Top Regional Managers 1985	To Top Regional Managers 1983	To Store Managers 1985	To Store Managers 1983
Company paid medical coverage	95%	90%	82%	57%	78%	51%	55%	58%
Dental insurance	35	46	35	36	28	33	22	41
Prescription drug plan	55	45	35	33	28	31	33	39
Long term disability insurance	90	84	71	78	66	72	68	75
Compensation for holidays worked	22	7	11	9	11	9	32	30
Employee Stock Ownership Plans (ESOPs)	31	22	31	19	31	19	31	19
Nonsalary relocation bonuses	26	21	18	16	22	18	12	22

Source: NMRI

Gayle Anderson, Danners (l.), and Lloyd Eberly, Schreiber Co. (r.)

Derek Dubin (l.) and Donald Brown (r.), Gold Circle

Felix Sabates, Top Sales Co. (l.), and Jerry Foreman, Service Merchandise (r.)

Color, European Design Spark Buyers' Interest at NHMA Show

CHICAGO — In the absence of exciting new products, discounters shopped this month's Housewares Show for established, but growing, categories like microwave ovens and accessories, KD (knockdown) furniture and under-the-cabinet electric appliances.

Bold colors, including black, drew traffic in kitchen storage, closet organizing and personal electrics, as did European styling—especially KD furniture—where retailers were edging out of basic wood tones and into black and white laminates with brass trim and glass doors.

Dinnerware assortments also generated interest with retailers anticipating new bids for market share by manufacturers, like Corning and Anchor Hocking, that could help rejuvenate the tabletop business.

Corning, for example, has restructured and repackaged its dinnerware program into distinct good-better-best offerings with updated and fashionable designs added to existing patterns. Anchor Hocking, until recently primarily a glassware source, has made a strong commitment to the dinnerware business with a new 60-pattern program.

In general, though, many retailers complained the show's November date left them no time (or open to buy) to place Christmas orders and, yet was still too early for spring since many manufacturers don't show new lines until after the new year. Catalogers, especially, felt their hands were tied, since 1986 catalogs have already been completed.

As a result, traffic at the show was much lighter than at the spring show; even manufacturers from major companies were left sitting in near-empty booths.

One showgoer who didn't complain about his predicament was Howard Snyder, vice president of the Odd-Job Trading closeout operation. "For us," he said, the timing of the show "is a windfall."

He explained that because he can arrange to pick up goods immediately, he was buying Christmas ornaments and items like placemats and stuffed animals with holiday motifs. Snyder said he was also buying merchandise that manufacturers were clearing out from past seasons, like an electric kettle with automatic shutoff, Marimekko design glassware sets and 7-piece cookware sets.

Nevertheless, despite the show's awkward timing, it is clear from retailers' comments they are eager to incorporate some of the new houseware looks into their assortments—after the first of the year.

Richway senior vp, gmm, hard lines Ira Bodker, pointed to color as the strongest fashion trend to emerge at the houseware show, whether it meant Rubbermaid's slate blue and

(Continued on page 46)

Discounters Show Slight Oct. Sales Gain

NEW YORK — Most discount chains have reported single digit, same-store sales increases for October 1985.

Two chains, Bradlees and Ames, showed larger increases, with Bradlees acknowledging that it had taken a highly promotional stand that helped it achieve these gains.

K mart, the nation's largest discounter, reported a 2.6% drop in same store sales.

Toy giant Toys "R" Us' comparable sales were down by 1.2%, as well.

■ **K mart** reported a sales increase of 3.9% for the four weeks ended Nov. 2. Sales for the United States operation were $1,528,100,000 compared to $1,470,500,000 for the same period last year.

Year-to-date sales were up 8.9%, from $13,851,200,000 in 1984 to $15,086,200,000 in 1985.

Same store sales were down 2.6% for the month of October.

K mart now operates 2,176 stores, up from 2,165.

■ **Wal-Mart**, for the calendar month of October, reported net sales of $727 million, up 34% from the $544 million in the same period a year ago. Same store sales for the period were up 8% over last year.

At the end of the month, the company was operating 834 Wal-Mart stores and 19 Sam's Wholesale clubs, compared to 726 Wal-Marts and seven Sam's Warehouse clubs a year ago.

For the nine months ended Oct. 31, sales for Wal-Mart were up 31% to $5.677 billion, from $4.327 billion a year ago.

■ The **Target** division of Dayton Hudson had a 10% sales increase for the four weeks ended Nov. 2. During that period, Target operated 226 stores, vs. 215 a year ago.

The **Mervyn's** division registered an 18% gain in sales for the period, compared to year-earlier results. This year, it operated 147 stores, compared to 126 a year ago.

Dayton Hudson's specialty store division, which includes **Lechmere** and **B. Dalton**, showed the strongest gains of any of the company's operations, with a 26% increase for the month. A company spokesman said that Lechmere's own sales gains were larger than the 26% combined total. A year ago Lechmere operated eight stores; during this past October, it had 10 units.

■ Federated Department Stores reported that its mass merchandise divisions—**Gold Circle** and **Richway**—had sales of $75.4 million in the four weeks ended Nov. 2, up 7% from the $70.4 million in the same period a year ago.

For the 39 weeks, those operations showed a 1.3% increase from $698.9 million in the year earlier period to $707.9 million in the current year.

As a total Federated showed a 4.9% increase in October to $718.7 million, and a 6.8% increase for the 39 weeks to $6,734,900,000.

■ **Zayre Corporation** reported a 20% increase in sales for

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Warehouse Clubs Jockey for Position

(Continued from page 1)

$30 million in a private placement with Carrefour S.A., a French hypermarket company. Earlier this year a smaller wholesale club, A. Howard Wholesale, obtained an undisclosed amount from an unidentified private source that company executives said would help fuel its expansion from nine units to 18 in 1985, to 21 by the end of 1986.

In striving to firm up a financial base, these companies join a trio of well-financed firms—the Price Club, which originated the membership warehouse concept just nine years ago and today is the most successful chain; Sam's Wholesale Club, a division of discounter Wal-Mart and BJ's Wholesale Club, an arm of diversified retailer Zayre Corp.

Trade observers list these three operations as among the survivers in any future shakeout in the membership warehouse field; Price Club because of its dominant position, and Sam's and BJ's because of their current productive operations and because "their parents have deep pockets," in the words of one trade observer.

Mervyn Weich, president of BJ's Wholesale Club, said that as the industry grows and more companies "meet head on, we may expect new competitive strategies to emerge. Financially weaker outlets may start to offer such things as free memberships, additional services, private lines and institutional advertising, as well as other inducements, in attempts to draw customers. Stiffer competition will inevitably force a shakeout and therefore, in our industry only the most innovative, disciplined and financially secure operations will prosper."

Walter H. Teninga, former K mart vice chairman and founder of the Warehouse Club, noted that the membership warehouse industry has grown so that vendors are now approaching wholesale clubs, rather than companies having to solicit manufacturers. A growing number of manufacturers are even putting together programs for wholesale clubs that help membership warehouses hold down their costs, he added.

Jeffrey Brotman, Costco chairman, said membership warehouses will have phenomenal growth over the next five to 10 years, with a few units in every major metro market. But the industry's impact is being misread he explained, citing the fact that the Price Club now has about 2% of the total sales in San Diego County.

While that's a major amount for one company, what everyone forgets is that the vast amount of the sales are at wholesale and they are being counted at retail, he said.

The lucrative potential at stake in becoming a major membership warehouse is evident from the results recorded by the Price Club, which went public in 1980 when it had four stores producing $148.3 million in sales and $2.5 million in earnings.

The Price Club, in the fiscal year ended Aug. 31, 1985, had $1,834.0 million in sales, up 60.7% from $1,141.4 million, while net earnings of $46 million were a 60.8% jump from $28.6 million.

The Price Club format, which has been faithfully emulated by all the other membership warehouse operators, called for a low cost, low margin, high volume operation geared to serve business and group memberships of tightly selected consumers, such as Government employees.

Price Club stores generate sales in the $60 million to $100 million range from 100,000-sq.-ft., bare-bone units in which customers help themselves from warehouse shelving displays of merchandise.

Security analysts report that the Price Club's operating costs run about 7½% of sales and its gross margin, which includes fees for such service as automotives, is about 10%.

Business firms pay a $25 membership fee and buy merchandise at wholesale, while individuals who are group members either pay a $15 fee or no fee, depending on the specific wholesale club's policy, and buy goods at 5% above the wholesale price.

Price Club, followed by a few other companies, earlier this year instituted a Gold Card for group members which cost either $25 or $30, but allows them to buy at the same wholesale price.

The customer combination of businesses and individuals from economically secure groups such as utility workers, credit union members and airline and railroad company employees, has resulted in sales of a membership warehouse rapidly growing to the $30-million-plus range within a year of operation.

The effect is to skew the upward financial performance of wholesale clubs as the industry is still in its formative stage with companies adding units that result in sharp sales jumps from year to year.

A. Howard Wholesale, one of the smaller wholesale clubs, for example, had one store when its fiscal year ended March 1985, with sales estimated at about $20 million. It will have nine units by March 1986 and volume is projected to jump to about $150 million.

A similar trend is evident at Sam's Wholesale Club, whose sales went from three stores doing about $25 million in 1983 to $225 million in 11 units in 1984 to an estimated $750 million from 23 this year and a projected $2 billion from 48 stores next year.

Per cent of Sales by Category

Company	Food (dry, frozen and perishable groceries)	Sundries (candies, H&BA, tobacco and alcohol)	Hard Lines (housewares, (hardware, appliances, office supplies, auto and CE)	Soft Lines (apparel, domestics and jewelry)
Price Club[a]	23%	34%	37%	6%
Costco	33	26	28	13
Sam's*	29	14	43	10
PACE	29[b]	26	22	19[c]
Wholesale Club	32[b]	13	39	9
Warehouse Club[d]	27	31	31	11

[a] For fiscal year ended Aug. 31, 1984. * DSN estimate. [b] Includes alcohol. [c] Includes hardware, auto and office supplies. [d] For nine months ended June 30, 1985.

Sources: Company prospectuses, financial reports.

Who Are the Members and What Do They Pay

Company	Membership		Per cent of Sales		Average $Sales	Membership Charges		
	Business	Individual	Business	Individual		Business	Individual	Gold Card
Price Club[a]	22.0%	78.0%	60.0%	40.0%	$55-$95	$25	$15	$25
Costco	16.0	84.0	58.0	42.0	N.A	25	15	30
Sam's[b]	30.0	70.0	50.0	50.0	65	25	Free	—
PACE	5.3	94.7	54.0[c]	46.0[c]	56.74	25	Free	25
Wholesale Club	6.1	93.9	43	57	46.84	25	Free	25
Warehouse Club	4.9	95.1	33.0[d]	67.0[d]	51.59[e]	25	Free	25

Note: Except where indicated, figures are for most-recently completed fiscal year, or most recent company estimates.

[a] For fiscal year ended Aug. 31, 1984. [b] Estimate from company sources, analysts. [c] For 17 weeks ended June 33, 1985. [d] For nine months ended June 30, 1985. [e] For fiscal year ended Sept. 30, 1984. N.A.—Not available.

Source: Company prospectuses, 10-Ks

Zimmerman Purchases Half of Pay 'n Save Stores

(Continued from page 1)

lower than retail. Also, some of Pic 'n' Save's merchandise is bought directly from overseas manufacturers.

However, Culver emphasized that merchandising changes will not affect the overall image of Pay 'n Save as a drug store chain. "We do not want to become a Pic 'n' Save. We are a drug store, and we'd like to incorporate the best of both formats." Currently, about 40% to 50% of Pay 'n Save's sales come from general merchandise.

"We're planning to look at the kind of merchandising that Bill Zimmerman's done in the past," Culver added. "It will be in a very controlled, orderly way, not of a giant magnitude scale as we try this thing out."

Zimmerman, who founded Pic 'n' Save in 1950 under the name Freight Outlet, watched his company grow to $235 million, 90-store operation by the time he retired last year. Arthur Frankel, who joined the operation in 1955, continues to head Pic 'n' Save as president.

Zimmerman's move to Pay 'n Save means he now heads an operation that reported sales of $509 million in 1984, before going private with its purchase by The Trump Group. Although the chain operates stores in five western states, Alaska and Hawaii, more than half the stores are located in Washington.

About the same time Zimmerman acquired half ownership of the Pay 'n Save Stores, The Trump Group split its parent operation into three independent corporations. Pay 'n Save Stores Inc., of which The Trump group retains half ownership, operates the Pay 'n Save drug store chain. The Pay 'n Save Corp. operates Ernst Home Centers, an approximately 90-store chain based in Seattle, Wash., Yard Birds, a three-store discount store chain based in Chehalis, Wash., and Northwest Drugs, the wholesale operation.

Prototype to Make Quick Impact

(Continued from page 1)

chain officials.

"None of the other stores will look exactly like the first two remakes," Target chairman Bruce Allbright told *DSN*, adding that, as of this writing, "no part of the format has been committed to, definitely."

The prototype revolves around three newly segmented worlds: Fashion World, the apparel departments set opposite the entrance to the store and down the left sidewall to the rear of the store; Home World, coordinating 10 home goods classifications around a free-standing focal display at the center of the store; Basic & Leisure World, highlighted by the expanded and upgraded consumer electronics department, which has been moved to the front right-hand corner of the unit (a space previously occupied by health & beauty aids).

The newly redone Texas stores have "the essence of the prototype," Allbright said: the same floorplan, the near ceiling-high interdepartmental walls in soft lines, the same floor treatment and wall colors. They don't have the dropped race track ceiling (which mirrors the main shopping aisles) or the four-color, back lit graphic panels which add lifestyle imagery to each of the main merchandise departments.

Cost, according to Allbright, is the mitigating factor. "The ceiling treatment accounts for 1% of the cost of a newly built unit—and 15% of the remodeling cost of an existing store."

On the other hand, he admitted that changes in layout and space allocation seemed less likely to change.

Chief among these was the allocation of 30% more floor space to consumer electronics and added footage (and more prominent positions) for shoes, children's wear and home furnishings. These all came at the expense of ready-to-wear, seasonal merchandise, toys and sporting goods, which were made smaller.

Additionally, in Edina and Garland the TBA (tire, battery and auto accessory) installation centers were closed; the bulk of that 1,800 sq. ft. of space went to CE. The chain continues to run TBA centers in its other stores.

"We're not trying to manage our gross margins by artificially managing the space," Allbright said. "The categories that deserve the space got it."

Thus, while the impact of a smaller ready-to-wear on total store sales could prove the decision "was a mistake," for now it's too soon to tell.

Allbright said all final decisions will wait until after November sales are posted. "We need a full month's results to see what the changes mean."

"We felt the lead we once had in every area had diminished or maybe was gone," Allbright said of the impetus that triggered the more than year-long project to create a new store. "We examined all areas of the business to see where we could step out in front." This included re-examining all operating systems, advertising and store presentation.

In advertising, this re-evaluation led to a new approach. "Today, we're using a catalog-size circular for all events," noted George Hite, chain vp, public and consumer affairs. These pieces all will have theme covers. "Commodities will re-run inside or on the back cover only."

Targeting New Targets

MINNEAPOLIS — As Target accelerates its store-opening program, new stores will be added in both new and existing markets.

In the summer of 1986, store openings are slated for Longview, Texarkana, Mesquite, Dallas (Redbird) and Houston (Sugarland) Tex., Appleton, Wis., Columbia, Mo., Elkhart, Ind. and Brooklyn Center, Minn.

In the fall, six stores will be added to the 32 currently operated in southern California. These include units in Lancaster, Simi Valley, Moreno Valley, LaHabra, Westminster, and Santa Ana.

A sixth Texas unit, in Arlington, is also planned for the fall, as are stores in Mesa and Chandler, Ariz., Eau Claire, Wis., Council Bluffs, Iowa and Great Falls, Mont.

Discounters Show Slight Sales Gains in October

(Continued from page 2)
the four-week period ended November 2, to $301,900,000, up from $250,900,000 during the same period last year. These figures include sales of the recently acquired Gaylord National Corporation.

Year-to-date sales for the chain were up 21%, from $2,141,400,000 in 1984 to $2,582,200,000.

■ The **Bradlees** division of Stop & Shop Cos. said that an extremely promotional stance helped bring it sales increases of 33% for the four weeks ended Nov. 2.

For the four weeks, sales were $141 million, up from $105 million last year. Comparable store sales increased 18%.

For the first 39 weeks of the year, sales of $1.028 billion were 12% over the same period a year ago. Comparable store sales were up 5%.

Stop & Shop chairman and ceo Avram J. Goldberg said Bradlees results benefitted from "our intensive program to increase sales in this competitive environment through exceptionally strong promotional activity and pricing. Our current goal is to drive for sales, and results were particularly strong in the hard lines portions of our business."

"We expect the highly promotional environment to continue through November and December as retailers cope with six fewer selling days."

■ **Ames** reported a 121% increase in sales for the four-week period ended Nov. 2 to $138 million, up from $62.5 million in October 1984.

Sales for the first 39 weeks of the 1985 fiscal year were up 75% to $968.5 million from $554 million, compared to the same period last year.

All figures include sales from the recently acquired G. C. Murphy Company.

■ **Venture** had a sales increase of 12.1% for the four weeks ended Nov. 2, with same store increases of 3.9%, according to figures released by the parent May Department Stores Co. Sales for the four weeks were $73 million, compared with $65.1 million a year earlier.

Venture opened two new stores in October, in St. Joseph, Mo., and Mundelein, Ill., both of which May chairman David Farrell called "very strong."

For the first 39 weeks, Venture's sales were up 15.1% to $699.3 million from $607.7 million. Same store sales increased 7.3% for the period.

■ **Best Products** reported October sales of $150,985,000, down 3.6% compared to last year's $156,608,000. Year-to-date sales were up 2.6%, from $1,336,787,000 in 1984 to $1,371,857,000 this year.

The chain noted that it had substantially completed the consolidation of all its data processing functions into a central system at its Richmond, Va., headquarters.

Best now operates 213 stores, up from 204 last year.

■ **The Federated Group Inc.** reported that sales for the four weeks ended Nov. 3 rose 80% to $24,800,000 from $13,800,000 for the same period last year.

Sales for the 35 weeks ended Nov. 3 also increased by 80% to $207,800,000 as compared to the same period last year.

Same store sales increased 10% in October to $14,700,000, up from $13,400,000 in 1984.

Same store sales for the year to date increased 8% to $123,500,000 from $114,100,000 last year.

The Federated Group now operates 49 stores compared to 25 during the like period last year.

■ **Toys "R"Us** reported a 16.8% gain in sales for the third quarter of this year, to $376 million compared to $322 million over the same period last year.

Sales for the first nine months were up 21.9% to just over $1 billion, as compared to $863 million for the same period in 1984.

Same-store sales decreased 1.2% over the third quarter of 1985. They were up 6.9% over the year to date, both compared to 1984.

Charles Lazarus, chairman of the board and ceo, said the flat sales this year were expected "considering the extraordinary volume in the third quarter last year."

Toys "R" Us currently operates 233 toy stores in the U.S. and 23 Kids "R" Us clothing stores. At this time last year, the company had 198 toy stores and 10 children's clothing stores.

Chains Decrease Perks

(Continued from page 2)
28%), 18% of the top regional managers (compared to 24%) and 11% of the store managers (down from 30% in 1983).

Companies are at least partially offsetting the general drop in the value of health coverage for their headquarters personnel by more often giving them prescription drug coverage plans. Fifty-five per cent of the mass retailers surveyed give this perk to their ceos and presidents (an increase of 10 points from 1983); participation in this coverage for other headquarters executives rose between 10 and 20 percentage points.

Ceos and presidents are increasingly allowed to take physical examinations at the company's expense (78% now, up from 63%). The only other group that saw a significant rise in the number of people eligible for company-paid physicals are the field managers (in 30% of the companies, up from 15%).

Free legal counseling is given to more executives at all levels. Eighteen per cent of the ceos are entitled to this (5% in 1983), and 8% of the general merchandise managers compared to none two years ago. Also, a growing number of store managers and assistant store managers is covered (both groups 4% now, 0% in 1983).

Government regulations requiring that companies increasingly give the same benefits to all staff members have resulted in greater uniformity among all levels of management in the areas of Employee Stock Ownership Plans (ESOPs), merchandise discounts and pensions.

ESOPs are now offered by 31% of the mass retailers, almost independent of the executive's level. The percentage is slightly lower for some middle managers.

Profit sharing plans are available to employees at 42% of the companies surveyed. There, too, the rate is less for the lower levels; only 22% of the companies offer this benefit to their assistant store managers.

Pension plans are included in benefit packages by 51% of the retailers across almost all management levels.

Merchandise discount plans are gradually being pulled back. Seventy per cent of the stores offer them to their ceos (down from 84% in 1983), and 66% of the senior headquarters managers receive them (as opposed to 84% two years ago). At the other levels the decrease is less dramatic but noticeable.

Relocating executives receive cash bonuses in 26% of the retailers surveyed if they are at the ceo/presidential level (up from 21%). At the other end of the scale: only 2% (down from 18%) of the retailers pay their assistant store managers extra when they move.

The "Mass Retailers' Executive Perquisite Report" is available from the National Mass Retailing Institute, 570 Seventh Ave., New York, N.Y. 10018.

Discounters Shop NHMA Show

(Continued from page 2)
black storage products or International Consumer Brands' licensed Candie's line of personal care products in colors like hot and light pink, bright and powder blue and purple and lavendar.

In fact, retailers were looking at quite a few lines of colorful personal care products including Conair's High Energy in blue, red, purple and pink; Clairol's Upstarts in royal blue, sea green and hot pink and The Hots line by Helen of Troy in magenta, ultramarine and yellow.

In addition to color, many of the personal care products also featured European design elements like sleeker, rounder edges, motors in the back of the appliances and push button controls.

Discounters were also examining ways to inject color and style into the KD furniture category, where they anticipate a 25% sales growth in 1986. Some chains like Gold Circle are considering black and white mica laminates to supplement the wood looks usually offered. Others are mixing caution with experimentation. For example, buyer Keith Parke of the Wholesale Club said that with oak furniture continuing to be his strongest business, he would look to incorporate Danish styling such as glass doors and brass trim into oak KD furniture.

The speed at which fashion style and color trickled down from the department and specialty store level to discount stores surprised some discounters. "Fashion colors have come right down fast," commented Stephen Jelin, president of Prange Way. "Mass merchants used to wait and see. They are now taking some creative risks."

Jelin pointed to colorful plastic, multipacked dinnerware sets for kitchen dining or picnicking as one look being offered at his chains. Even black houseware items have been moving out of the stores, he added.

Buyers from R. G. Branden's, the specialty houseware chain, Gold Circle and S. E. Nichols, all pointed to color in closet and plastic kitchen storage items.

Growth Area

Closet storage is a growth area, said Derek Dubin, a Gold Circle buyer. "The closet is the last room in the house the consumer hasn't done yet as far as decorating." He explained the items have always been durable and affordable, but now they have fashion appeal, too.

Dubin said he was looking for hard and soft closet goods like corrugated boxes, vinyl garment and shoe bags and hangars in matching design prints and neon colors.

Although retailers said it was too soon to pass judgment on new Eurostyle kitchen appliances, they were looking to bolster assortments in more established areas like microwave ovens, where they could take advantage of falling prices, and under-the-cabinet kitchen appliances. Buyers explained new manufacturer entries into the under-the-cabinet category will allow them to assemble unique mixes, softening price competition among the chains.

John Little, sr. vp, gmm at Rose's, said he is keeping a watchful eye on added appliance features like automatic shut-off irons, although he is not buying into the item at this point. Jerry Foreman, operating vp, hard lines, of Service Merchandise, said he is looking forward to lower microwave oven price points for his 1987 catalog.

The Wholesale Club's Parke said the European styled appliances are still fringe items, mostly unfamiliar to his consumers. He said he would add the items if they became a bigger factor in the market.

For now, Parke said he is content with current assortments, like the Sunbeam Oskar food processor.

Florals Freshen Spring Domestics

(Continued from page 30)
cot, peacock and aqua. He said the line reminded him of the Ralph Lauren line color palette offered by Stevens' upstairs Utica division.

Jeff Moss, business manager for Tastemaker towels, said Stevens developed the Consensus line to be priced at about $4.99 (for the bath towel) to compete with imports.

Fancy Towels Risky

Although Richway carries a few jacquards with proven track records, like the Ecstasy stripe from Cannon, the chain carries only one embellished towel, offered for the first time this season, from Dundee, priced at $4.99.

T.G. & Y. buyer Ken Shiplet is also wary of the fancy towel business. "We have tried several times to split off part of the business [from solid towels] and generate something extra, but historically, we have not done well," he said. The chain currently sells only one print towel, and is introducing a striped jacquard this month.

Shiplet said T.G. & Y., in its newer prototype stores, will also carry an embellished fingertip towel this spring, to retail under $3.

Ray Wysocki, senior merchandise manager at Zayre, said the chain has experimented with several of the jacquards in the market, but sales on these items taper off after two ads. "It's tough to coordinate those dark colors [that many jacquards sport] with the paint and wallpaper of many bathrooms in America," he said.

Discounters are also disappointed in sales of fashion kitchen textiles. "Kitchen ensembles is a mature category," T.G. & Y.'s Shiplet said. "Four years ago, there was a real explosion in the discount stores, and the product was selling so well, it earned itself a lot of space. Now, however, in less than half the space, we're generating equal to or superior volume in utility over fashion and [there are] a lot less markdowns there, too."

As a result, this spring T.G. & Y. will take about 2½ ft. away from the 17½ ft. fashion area and add it to the 5-ft. utility area.

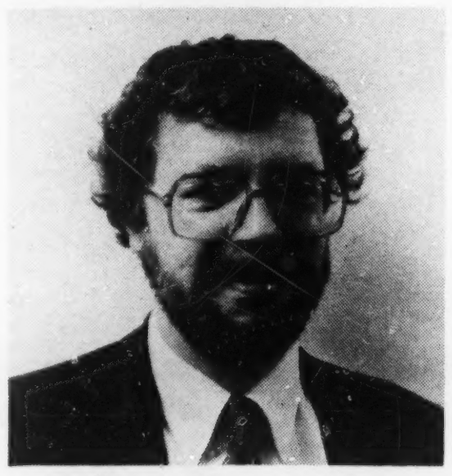
Shiplet said although he would stay with domestic resources for fashion ensembles because of the superior quality of the merchandise, Chinese imports like basic flat woven kitchen towels, are making a severe impact on the utility textile business.

At least one mill, however, has admitted imports are also making a traumatic dent in their fashion business. Moss of Stevens said the mill is discontinuing its printed kitchen textile accessories, using fashion designs only on dish towels.

In tabletop, like placements, Shiplet added, traditional colors like bone, slate blue and tearose will dominate this spring, although peach is also beginning to pick up sales.

However, the real tabletop textile story is in the shape, with pleated placemats in rectangular, oval and octagonal configurations supplementing the usual best-selling quilted items.

Groeneveld, Cohen Join *DSN* Staff



Benno Groeneveld

NEW YORK — Benno Groeneveld and Larry Cohen have joined the staff of *Discount Store News*.

Groeneveld, 38, an associate editor, freelanced as a U.S. correspondent for the Dutch media and Belgian National Radio, the last nine and a half years.

Groeneveld has an M.A. degree in English language and literature from the University of Amsterdam. He is married and has an 18-month-old son.

Cohen, 26, a desk editor, spent a year as a copy/layout editor for *The Daily Journal* in Elizabeth, N.J. Cohen has a B.A. in history from the University of Virginia, and is working on his master's in journalism/education through Syracuse University.